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#### MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Vasile Pungan, Counselor ot the President

of Romania

Ambassador Bagdan of Romania

Dr. Henry A. Kissinger

Helmut Sonnenfeldt, NSC Staff

Kathleen Ryan, NSC Staff

DATE AND TIME:

Saturday, April 21, 1973

11:50 a.m. - 12:40 p.m.

PLACE:

The Map Room
The White House

Dr. Kissinger: I am sorry for the delay, I was talking to the President, who is in Florida. We had much work yesterday.

V. Pungan: Yes, it is a very busy period.

<u>Dr. Kissinger:</u> It is always a pleasure to welcome representatives of President Ceausescu. Are you my opposite?

V. Pungan: Not exactly, I deal with economic relations.

I was sent by President Ceausescu to send to President Nixon a message. I don't know what the possibilities are of my meeting with the President.

Dr. Kissinger: He won't be back until Wednesday.

Amb. Bogdan: In the evening?

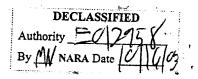
Dr. Kissinger: In the evening probably, he is somewhat preoccupied now, if you have read the newspapers.

Sonnenfeldt: You don't even need to read them.

Amb. Bogdan: You can't help knowing what's going on. I don't interfere in domestic affairs, not even in my own country.

<u>Dr. Kissinger:</u> The both of us. Can you tell me the essence of what President Ceausescu has on his mind. You know the view and importance

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we attach to our relations with you. We will make an effort. Would we announce it?

Amb. Bogdan: No.

V. Pungan: No.

<u>Dr. Kissinger:</u> We can do it either way. I will make a big effort. It is what your allies the North Vietnamese always say to make a "big effort of good will and serious attempt." I will make an effort.

V. Pungan: Thank you.

After the good health of the two Presidents, the message deals with two parts; bilateral relations and the current international situation. These are the main aspects.

Dr. Kissinger: When did you come here?

V. Pungan: Wednesday evening. This is my second time at the White House and before that I was in Washington for four years.

Amb. Bogdan: He is a pioneer in American relations.

V. Pungan: I left in '62. 1959 to 1962.

<u>Dr. Kissinger:</u> Did you know that in the Chinese Foreign Office all the white people are in the same department. There is no distinction between ideology.

Amb. Bogdan: That is interesting, the 'white peril'.

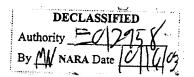
<u>Dr. Kissinger:</u> The white peril is in one department. There is no classification according to ideologies.

V. Pungan: (Begins the message) There are greetings to President Nixon and his wife from President Ceausescu.

In accordance with the practice agreed upon on the occasion of your visit to Romania in 1969 and my visit to the United States in 1970, I felt it necessary to convey to you some considerations of my own regarding bilateral relations and some of the current international questions.

1) I would like to express our satisfaction for the positive development





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of relations between Romania and the United States for the favorable settlement of some problems including the Export-Import bank, which started to give some concrete results.

This is an oral message.

Dr. Kissinger: For the sake of my stenographer may we have a copy of that?

V. Pungan: No, this is an oral message.

Dr. Kissinger: After you finish may she go over it with you?

Amb. Bogdan: Certainly.

- V. Pungan: (continues reading) In the same spirit we are expected to get to the point when Most Favored Nation treatment is granted to Romania, which would lead to a substantial growth of our economic relations.
- 2) We would be interested in a wider participation of the United States turning into account some of the natural resources of Romania. We have in mind the participation in: the exploration and exploitation of the oil reserves of the Black Sea and in the extraction and processing of copper deposits, valued at over one billion tons. We would like to acheive this cooperation in mutually advantageous conditions including financial credit arrangements under the terms granted to the developing nations, of which Romania is one.
- 3) At the same time we look with interest to a larger participation of American companies in the achievement of some economic projects in Romania. It is only natural that these companies are expecting an appropriate encouragement from your government.

In so far as international topics are concerned: 1) I would like to express our satisfaction for the favorable development of international relations, especially the agreement ending the war in Vietnam, which has created conditions for solutions of other world problems.

2) Taking as a starting point the strengthening of the process of detente in the world, I would like to present a few considerations relating to some of the pending issues. First of all in connection with European Security, as it is known Romania attaches great significance to that achievement in Europe of a cooperation based on principles of full equality, to the creation of an environment apt to guarantee the security and independ-

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ence of every nation, and to assure the non-interference into domestic affairs. With that in view Romania is firmly acting for the preparation and the actual taking place of the European Security Conference on security and cooperation.

The progress of the Helsinki talks is well known, and I don't want to refer to it again. It is our evaluation that important steps have been taken toward solutions, and that conditions for convening the Conference have been created. However, I could not avoid mentioning that from the development of the preparatory talks in Helsinki and from the exchanges of views I had with representatives of other states, the impression emerged that the United States has reservations and showed somewhat less diminished interest in the taking place of the Conference. We would be only glad to see such assessments and impressions disproved by reality. Romania attaches a great significance to the participation of the United States in process, preparation and holding of the Conference, aware that the position of the United States can have an important role in the works of the Conference and in the favorable solution of European matters. For these reasons we would be interested to see the United States showing a greater interest and contributing more actively to the achievement of understanding, taking into account the interests of all nations and leading to strengthening the peace and security of Europe.

Dr. Kissinger: Do you have anything specific in mind?

V. Pungan: To help the conference as soon as possible and to have on the agenda the real problems of security.

Dr. Kissinger: Like what?

V. Pungan: I have questions that are really important for security like disarmament and force reduction.

Dr. Kissinger: You want force reduction?

V. Pungan: In a separate part.

Dr. Kissinger: Go ahead and finish your letter.

<u>V. Pungan:</u> The second aspect is represented by the talks taking place in Vienna--your reduction of armed forces.

Dr. Kissinger: Balanced?

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V. Pungan: Yes, and some other term.

Amb. Bogdan: Ours in original.

Dr. Kissinger: You have a Romania term?

Amb. Bogdan: Measures of

and military disengagement.

V. Pungan: (continues reading) B) A second aspect relating to the situation in Europe is represented by the talks taking place in Vienna on the reduction of armed forces. As you are well aware, Mr. President, Romania has been constantly preoccupied and vitally interested in the reduction of forces in Central Europe, eventually in the withdrawal of all foreign troops and the reduction of national troops under appropriate conditions. Although in Vienna the subject matter is going to be the reduction of troops in Central Europe, Romania is vitally interested to participate in these talks, both in the prepatory and in the substantive stages, to express her views on all problems. It is understandable that the problem of reduction and withdrawal of troops is of equal concern for Romania as well as for other states because it is an essential part of European security as a whole and of the security of every single European state.

Of course we want to make it clear that our participation in the preparatory and substantive negotiations does not mean any desire from our part to become a signatory of the agreements to be concluded. These agreements should be signed by the states directly concerned. However, it would be necessary in our view, that the United States agree with the participation of Romania and other interested states in these negotiations under the conditions I have mentioned before.

At the same time Romania would like to see reduction of troops arrived at in other zones. We are particularly interested in the Balkans area. We would welcome with satisfaction any manifestation of the United States' understanding and interest in a meeting among the Balkan countries leading to peace and cooperation in the area.

<u>Dr. Kissinger:</u> Is there an agreed upon definition of Balkan area? Does that include Greece?

Sonnenfeldt: And Hungary?

Dr. Kissinger: Yes, Hungary?

V. Pungan: Of course Greece is included. Hungary would have to be discussed.

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Dr. Kissinger: And Turkey?

V. Pungan: Yes.

Dr. Kissinger: The Ukraine?

V. Pungan: No.

Amb. Bogdan: Prior to this Cyprus was not an independent state.

Dr. Kissinger: That is not a security factor. Then it would include Bulgaria, Yugoslavia, Greece, Turkey and Albania. Why did you leave out Hungary?

V. Pungan: For historical reasons.

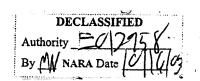
Amb. Bogdan: Exactly, that was the Balkan entente before the war.

Sonnenfeldt: But they are all your friends?

- V. Pungan: (finishes the message) In so far as she is concerned, Romania considers that in addition to the Balkan countries other interested countries could take part in such a meeting. We have in mind, in this context, in the first place the USSR as well as the United States.
- C) Based on the interest of Romania in all these questions we would highly appreciate if the United States showed a more active interest in their solutions. I am raising this aspect because the impression has been created in Romania and not only in Romania, that the United States is preoccupied by her bilateral relations with other states. In so far as Europe is concerned, she would prefer not to commit herself actively in favor of a positive settlement in the interest of all states of the European problems. We attach a particular importance to the beginning of normalization of the relations between the United States and China. In our view this event is of historical significance for the normalization of the international life. We attach an equal importance to agreements and the understandings reached between the United States and the Soviet Union.

We look upon them as contributions to the building of a better world, a world of peace. At the same time we would not like the implementation of these arrangements becoming in any way detrimental to the European security, to the interests of other states including the interests of Romania.

I have brought this to your attention, Mr. President, a few thoughts preoccupying me in connection with the evolution and perspectives of today's international life, with the hope that they will be properly



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understood. They are inspired by the desire motivating Romania's policy, of developing friendly relations with all the states of the world, and of placing as the basis of these relations the principles of full equality, independence and sovereignty. Obviously Romania, within limits of her possibilities, is determined to act for detente and cooperation. We would like to see our relations with the United States taking a more active role within the context of the present atmosphere of detente and cooperation. Such a development would be in the interests of our two peoples and at the same time in the interest of peace and understanding of the world at large.

<u>Dr. Kissinger:</u> Let me make a few preliminary comments and I will recommend a brief meeting with the President. I will let you know when. We appreciate the spirit of this communication, and the attitude that it reflects that Romania and the United States have special bilateral relations, especially between the two Presidents.

We will, of course, grant Most Favored Nation status as soon as we have the authorization. We will make sure that this is done before it is granted to other nations that are not as understanding as Romania has proved to be.

Have there been any technical discussions about oil?

Amb. Bogdan: We have had discussions with some companies. Standard Oil and another one are thinking about it.

Dr. Kissinger: There is one man from whom I am constantly receiving letters. He claims that he is independent. His name is Philips. He claims to have special competence in offshore oil. If that is true...I don't know the name of his company. I don't even mean to recommend him, I don't even know him. I shook his hand once. But we will encourage anyone else. If they are independent they may be able to move faster, He has a big concession in Korea.

Sonnenfeldt: There is no objection in principle at all.

Dr. Kissinger: Yes, in principle there is no objection at all.

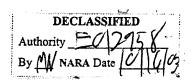
Amb. Bogdan: Then there is the problem of financing.

V. Pungan: It is a big arrangement. The oil companies will come to us to ask the government.

Dr.\_Kissinger: They will probably want to get guarantees of investment from

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this government.

Amb. Bogdan: We have to talk about some assistance from the government.

Dr. Kissinger: We have in the past discussed a special institution for East-West investment. We haven't advanced very far. When Sonnenfeldt goes to the Treasury we will be in a better position. We have never had anyone in our economic institution who understands our political strategy. We use economics in conjunction with our political options. Other countries cannot forbid us from having one. That approach will be good for Romania.

(to the Ambassador) You are the only Ambassador from Eastern Europe that I ever see, not counting the Soviet Ambassador.

V. Pungan: That was the starting point of the message.

Dr. Kissinger: We will pay specific attention to what you raise. I am also getting a man on my staff for this purpose. In regard to the European Security Conference we have never held any objections to the Security Conference. It is not as clear to us what the advantages are, but we have agreed to participation and cooperation. There you have a forum with every Foreign Minister in Europe using it as a field for exercising his ingenuity. And every department head has an opportunity to draft his own proposal. We would like limited agenda items. We would be willing to speed up proceedures for short term agreements, especially with our allies in Europe. We are in a positive position. We will not be obstacles and are willing to mave rapidly to a conclusion.

V. Pungan: We have discussed this with our people in Europe. We want the United States to understand what Romania expects from security. We want the United States to play a more active role.

<u>Dr. Kissinger:</u> Your objectives are clear. We don't quarrel; it is also conceivable that the European Security Conference will degenerate into a morass of platitudes. What you say may come about naturally.

V. Pungan: We expect other states to go along with us.

<u>Dr. Kissinger:</u> What you are attempting to do is absolutely clear. What others are trying to do is also clear, and the two are not necessarily compatible.

Amb. Bogdan: You spoke about the passivity of the United States and the brilliance of the Foreign Deputies. We want to be more active. I believe we share the same concern that it might lead to the consecrated division

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in Europe.

<u>Dr. Kissinger:</u> We should certainly be willing to discuss with you on a private basis some understanding of outcomes, get your views, and talk vseriously. In the present state of discussion it is not easy for us to know in which direction to exert pressure.

V. Pungan: I think it is important to start proposals, create conditions, and to expect an outcome.

Dr. Kissinger: Our view is to be fairly general and have brief agenda items. Western Europe wants detailed items.

Amb. Bogdan: It is not the length that is important, but the subject. We want to refine. There is always the problem of the subject. Of course the military issues should be discussed.

Dr. Kissinger: Force reduction, that is a different thing. Of course, the let me know what exclusions you want.

V. Pungan: It is necessary to agree. It is necessary to keep in contact and to follow objectives.

Dr. Kissinger: To complicate intervention of outside forces in Europe is our policy. We are interested in what concretely should be done. I can't guarantee how much pressure we will put on our allies.

On force reduction—it is a complex issue because we want to avoid force reduction becoming as general and confused as the European Security Conference. We don't want to open up a host of issues that will make it insoluble.

We thought not to include the Balkans, but only the Central Front. As I understand the discussions don't exclude the various countries listening in. But we do think that the actual negotiations should be conducted in a more restricted form. We are prepared to exchange ideas on a bilateral basis and to have your reaction. We would talk seriously.

V. Pungan: We would like the possibility to tell you what we have in mind. The results of these negotiations are important for the security of the whole of Europe. Of course, the agreements should be signed by the countries involved in them, but we think it is important for us to be there.

Amb. Bogdan: I think it a good idea to present a more detailed agenda.

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Dr. Kissinger: Could we have your ideas independent of participation in the discussion?

Amb. Bogdan: We have had some at the level of the State Department.

V. Pungan: It is a good idea to talk in principle.

Dr. Kissinger: On the issue of Balkan security, I have never studied that problem. My studies stopped in 1914. Those talks about the negotiation of a little sliver of land, whose name I don't remember, do you? I have not studied the problem. I don't think the United States has studied it in great detail. I will look into it to find out what the implications are, since every Romanian project is more complicated than it looks. We will look on it with interest. We are not directly involved. We are not as involved there as in Western Europe. Let me study it. I won't be able to give you a formal answer before you leave.

V. Pungan: We are also studying it.

Amb. Bogdan: 'We have repeated it so many times that we are coming to understand it ourselves.

Dr. Kissinger: (laughing) That is the great problem of diplomacy. People think once you have proposed something you understand it completely.

V. Pungan: If we have new elements, I will keep you informed.

Dr. Kissinger: Big power diplomacy, I take it for an axiom that we cannot let it be used to undermine the interests of other countries. I think some parts of big power diplomacy might even strengthen the position of smaller countries. Smaller countries have the potential of weakening it. Our discussions in Peking and Moscow are in the same order. We will not knowingly make an agreement that sacrifices the interests of other countries. Sometimes we don't know what the other's interests are. We expect Brezhnev to be here this summer, if there are any points that might come up to which you are especially sensitive... You can be certain we will talk very seriously. With Peking we have never discussed Eastern Europe in concrete terms. My impression is that the leaders there wish you well. Our settled policy is not to support newer relations at the expense of the older ones. But, some tendencies can develop. Is there any other subject?

We attach importance to staying in close touch. My life is so busy that I cannot always participate in the discussion, but Sonnenfeldt has my total confidence.

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Amb. Bogdan: What will happen when he goes to Treasury?

Dr. Kissinger: We will still keep in close contact. We will also have Hyland and Eagleburger. Hyland should work with you. It is important, if I may so, if you let us know your real thinking on some issues so I can include it in our decisions. We are prepared in the political and economic field to exchange ideas on a very confidential basis.

V. Pungan: Thank you. I want to add two other aspects. The possibility of meeting with our President sometime. We already have a history of seven years of good, useful discussion.

Dr. Kissinger: Would your President be prepared to come here?

V. Pungan: Yes, or when President Nixon is in Europe. They are both possibilities.

Dr. Kissinger: We will consider it. The President has benefited enormously with the meetings with your President. In principle, yes. Now when?

V. Pungan: This year or the beginning of next year. I am not in the position to say definitely.

Dr. Kissinger: If the President can go on to Romania from Europe; ..

Amb. Bogdan: The official reason our President came here last time was for the UNited Nations.

Dr. Kissinger: Yes, this could be made an official return visit. This is a more realistic plan. We will be open.

V. Pungan: I am not sure as an official return visit.

Amb. Bogdan: President Nixon is welcome in Romania anytime.

Dr. Kissinger: It was a great experience for all of us there. Let me make a suggestion to you in a week. In principle, a meeting will be arranged.

V. Pungan: The second possibility is some sort of financial arrangements. We have every intention of increasing our relations with the United States in better terms. After the visit of President Ceausescu to Africa and Latin America, we will have the cooperation from some of these companies. We want to take American companies with us. For all these aspects we need some credit.

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<u>Dr. Kissinger:</u> We will have to study this. The curious position of American credit in Communist countries is enormous.

V. Pungan: I have in mind the credit you offer to developing countries for production.

<u>Dr. Kissinger:</u> When <sup>C</sup>ooper comes and with Sonnenfeldt we will have two great minds working on this.

Well, Mr. Consul and Mr. Ambassador, I will see you again before you leave. I will try to arrange a meeting between you and the President Wednesday or Thursday.

V. Pungan: Thank you. There is a common thing in the work of our Presidents, they want to see things done yesterday.

<u>Dr. Kissinger:</u> It has been a great pleasure to see you and your able Ambassador. We have done a lot of things together.

Amb. Bogdan: We still have to finish the roof. Then I can go home.

Dr. Kissinger: You are mever satisfied.

Amb. Bogdan: I have to keep my job going.

<u>Dr. Kissinger:</u> We are dedicated and believe for many reasons that it (the ESC) should be a success and in what we started in 1969 we shall make a major effort.